



ASSOCIATION CRTA, BELGRADE

**Financial Statements as of and for
the Year Ended 31 December 2023
and**

Independent Auditor's Report

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This is an English translation of Independent Auditor's Report and 2023 Financial Statements originally issued in the Serbian language

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INDEPENDENT AUDITOR'S REPORT

TO THE MANAGEMENT OF ASSOCIATION CRTA BELGRADE

Opinion

We have audited the financial statements of the Association CRTA Belgrade (hereinafter: the "Company"), which comprise the balance sheet as of 31 December 2023 and the income statement for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the accounting regulations prevailing in the Republic of Serbia and accounting policies disclosed in Note 3 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with the Law on Audit and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Serbia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting regulations prevailing in the Republic of Serbia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

TO THE MANAGEMENT OF ASSOCIATION CRTA BELGRADE
(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law on Audit and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.


As part of an audit in accordance with the Law on Audit and ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Belgrade, 26 April 2024




Igor Radmanovic
Certified Auditor

To be filled by another legal entity		
Company number: 17414054	NACE code: 9499	TIN: 102211181
Name: CRTA		
Address: Beograd (Stari grad), Francuska 6		

BALANCE SHEET

As of December 31st, 2023

- in RSD thousands-

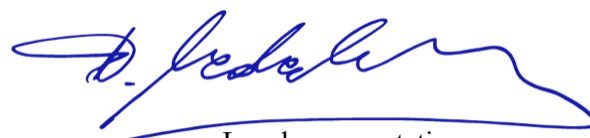
Group accounts, account	ITEM	EDP	Note number	Total		
				Current year	Previous year	
					Final balance 2022	Initial balance 2022
1	2	3	4	5	6	7
	ASSETS					
	A. NON-CURRENT ASSETS (0002 + 0003 + 0009+ 0010 + 0011 + 0012)	0001	5	14.296	18.200	0
01	I. INTANGIBLE ASSETS	0002		0	0	0
02	II. PROPERTY, PLANT AND EQUIPMENT (0004 + 0005 + 0006 + 0007 + 0008)	0003	5	14.296	18.200	0
020, 021 and 022	1. Land and buildings	0004		0	0	0
023	2. Plant and equipment	0005	5	14.296	18.200	0
024	3. Investment property	0006		0	0	0
025 and 027	4. Other property, plant and equipment	0007		0	0	0
026 and 028	5. Property, plant and equipment in preparation and advances for property, plants and equipment	0008		0	0	0
03	III. BIOLOGICAL ASSETS	0009		0	0	0
04	IV. LONG-TERM FINANCIAL INVESTMENTS	0010		0	0	0
05	V. LONG-TERM RECEIVABLES	0011		0	0	0
28 (part)	VI. LONG-TERM PREPAYMENTS AND ACCRUED INCOME	0012				0
	B. OPERATING ASSETS (0014+0019+0020+0021+0022+0023)	0013		148.253	84.201	0
Class 1	I. INVENTORIES (0015+0016+0017+0018)	0014		206	2.566	0
10	1. Materials, spare parts, small tools and inventor	0015		0	0	
11 and 12	2. Work in progress and services in progress, finished products	0016		0	0	0
13	3. Merchandise	0017		0	0	0
15	4. Advances paid for inventories and services	0018		206	2.566	0

20	II. RECEIVABLES FROM SALES	0019	6	2.130	1.251	0
22 and 27	III. OTHER RECEIVABLES	0020	7	14.133	3.802	0
23	IV. SHORT-TERM FINANCIAL INVESTMENTS	0021	7	0	821	0
24	V. CASH AND CASH EQUIVALENTS	0022	8	131.341	74.971	0
28 (part)	VI. SHORT-TERM PREPAYMENTS AND ACCRUED INCOME	0023	9	443	790	0
	B. TOTAL ASSETS (0001 + 0013)	0024		162.549	102.401	0
88	G. OFF-BALANCE SHEET ASSETS	0025		0	0	0
	LIABILITIES					
	A. CAPITAL (OWN SOURCES) (0402 + 0403 - 0404 + 0405 - 0408) ≥ 0	0401	10	47.742	38.222	0
30	I. CONTRIBUTIONS (OWN SOURCES) OF THE FOUNDERS AND OTHER PERSONS	0402		0	0	0
330 and demand balance 331	II. POSITIVE REVALUATION RESERVES AND UNREALISED PROFITS	0403		0	0	0
debt balance 331	III. UNREALISED LOSSES	0404		0	0	0
34	IV. RETAINED PROFIT (0406 + 0407)	0405	10	47.742	38.222	0
340	1. Retained profit from previous years	0406	10	38.222	25.816	0
341	2. Retained profit from current year	0407	10	9.520	12.406	0
35	V. RETAINED LOSS (0409 + 0410)	0408		0	0	0
350	1. Excess of expenditure over income of previous year	0409		0	0	0
351	2. Excess of expenditure over income of the current year	0410		0	0	0
	B. LONG-TERM PROVISIONS AND LIABILITIES (0410+0411+0414+0415+0416+0417+ 0418+0419)	0411		0	0	0
40	I. LONG-TERM PROVISIONS	0412		0	0	
41	II. LONG-TERM LIABILITIES (0412+0413)	0413		0	0	0
413 and 414	1. Long-term loans	0414		0	0	
41, excl. 413 and 414	2. Other long-term liabilities	0415		0	0	0
495 (part)	V. LONG-TERM DEFERRED INCOME AND RECEIVED DONATIONS	0416				0
49 (part), excl. 495	D. LONG-TERM ACCRUALS AND DEFERRED INCOME	0417		0	0	0

	E. SHORT-TERM RESERVATIONS I SHORT-TERM LIABILITIES (0419 + 0420 + 0421 + 0422 + 0423 + 0424 + 0425)	0418		114.807	64.179	0
463	I.SHORT-TERM PROVISIONS	0419		0	0	0
42	II. SHORT-TERM FINANCIAL LIABILITIES	0420	11	0	556	0
43	III. LIABILITIES FROM BUSINESS OPERATIONS	0421	12	2.458	814	0
45, 46, excl. 463 and 47	IV. OTHER SHORT-TERM LIABILITIES	0422	13	140	36	0
48 excl. 481	VI. LIABILITIES FOR OTHER TAXES, CONTRIBUTIONS AND OTHER DUTIES	0423		0	0	0
481	VI. LIABILITIES FOR VALUE ADDED TAX	0424	13	1.680	2.189	0
49 (part)	VII. SHORT-TERM ACCRUALS AND DEFERRED INCOME	0425	14	110.529	60.584	0
	F. EXCESS OF EXPENDITURE OVER INCOME ABOVE THE AMOUNT OF CONTRIBUTIONS (OWN SOURCES) (0411 + 0416 + 0417 + 0418 - 0024) $\geq 0 =$ (0404 + 0408 - 0402 - 0403 - 0405) ≥ 0	0426				0
	G. TOTAL LIABILITIES (0401 + 0411 + 0416 + 0417 + 0418 - 0426)	0427		162.549	102.401	0
89	H. OFF-BALANCE SHEET LIABILITIES	0428		0	0	0

In Belgrade,

On 2024, March 31



Legal representative

The form prescribed by the Rulebook on the content and form of financial report forms and the content and form of the Statistical report form for other legal entities ("Official Gazette of the RS" no. 89/2020).

To be filled by another legal entity

Company number: 17414054

NACE code: 9499

TIN: 102211181

Name: CRTA

Address: Beograd (Stari grad), Francuska 6

INCOME STATEMENT

For the period from January 1st till December 31st, 2023

- in RSD thousands-

Group accounts, account	ITEM	EDP	Note number	Total	
				Current year	Previous year
1	2	3	4	5	6
	A. OPERATING REVENUES (1002 + 1003 + 1004 + 1005 + 1006 + 1007 - 1008 + 1009)	1001	15	287.113	366.305
60	I. INCOME FROM THE SALE OF MERCHANDISE, PRODUCTS AND SERVICES	1002	15	23.244	19.074
630 and 631	II. INCOME FROM MEMBERSHIP AND MEMBERSHIP FEES CONTRIBUTION	1003		0	0
632 and 639	III. INCOME FROM SPECIAL BUDGET REGULATIONS AND OTHER SOURCES	1004		0	0
64	IV. INCOME FROM DONATIONS, PREMIUMS, SUBVENTIONS, ETC..	1005	15	263.869	347.231
65	V. OTHER OPERATING INCOME	1006		0	0
620	VI. INCREASE OF INVENTORY VALUE	1007		0	0
621	VII. DECREASE OF INVENTORY VALUE	1008		0	0
61	VIII. INCOME OF ACTIVATION OF GOODS, PRODUCTS AND SERVICE	1009		0	0
	B. OPERATING EXPENSES (1011 + 1012 + 1013 + 1014 + 1015 + 1016 + 1017 + 1018)	1010	16	276.713	351.336
50	I. PURCHASE PRICE OF MERCHANDISE SOLD	1011		0	0
51	II. COSTS OF MATERIAL AND ENERGY	1012	16	12.011	13.754
52	III. COSTS OF SALARIES, FRINGE BENEFITS AND OTHER PERSONAL EXPENSES	1013	16	148.365	163.655

53	IV. COST OF PRODUCTION SERVICES	1014	16	38.060	78.609
540	V. COSTS OF DEPRECIATION	1015	16	4.438	4.159
541	VI. COSTS OF PROVISIONS	1016		0	0
557	VII. COSTS OD DONATIONS	1017	16	12.258	25.235
55, excl. 557	VIII. NON-PRODUCTION COSTS	1018	16	61.581	65.924
	C. OPERATING PROFIT (1001 - 1010) ≥ 0	1019		10.400	14.969
	D. OPERATING LOSS (1010 - 1001) ≥ 0	1020		0	0
66	E. FINANCIAL INCOME (1022 + 1023 + 1024 + 1025 + 1026)	1021		2.978	339
660	I. Financial income incurred with parent companies and subsidiaries	1022		0	0
661	F. INCOME FROM INTEREST	1023		0	0
662 and 663	III. FX GAINS AND POSITIVE EFFECTS OF CURRENCY CLAUSE AND OTHER EFFECTS OF RISK PROTECTION	1024	17	2.978	339
664	IV. Dividend income	1025		0	0
669	V. Other financial income	1026		0	0
56	II. FINANCIAL EXPENSES (1028 + 1029 + 1030 + 1031)	1027	18	2.105	976
560	I. Financial expenses incurred with parent companies and subsidiaries	1028		0	0
562	II. Costs of interest	1029		0	334
563, 564 and 566	III. Negative FX gains and negative effects of currency clause and other effects of risk protection	1030	18	2.105	976
569	IV. Other financial expenses	1031		0	0
	G. PROFIT FROM FINANCING (1021 - 1027)	1032		873	0
	H. LOSS FROM FINANCING (1027 - 1021)	1033		0	637
683 and 685	3. INCOME FROM VALUATION ADJUSTMENT OF LONG-TERM AND SHORT-TERM PLACEMENTS AND RECEIVABLES	1034		0	0
583 and 585	I. EXPENSES FROM VALUATION ADJUSTMENT OF LONG-TERM AND SHORT-TERM PLACEMENTS AND	1035		0	0

	RECEIVABLES				
67 and 68, excl. 683 and 685	J. OTHER INCOME	1036	17	0	315
57 and 58, excl. 583 and 585	K. OTHER EXPENSES	1037	18	73	52
	L. TOTAL INCOME (1001 + 1021 + 1034 + 1036)	1038		290.091	366.959
	M. TOTAL EXPENSES (1010 + 1027 + 1035 + 1037)	1039		278.891	352.364
	N. EXCESS OF INCOME OVER EXPENSES FROM REGULAR BUSINESS BEFORE TAX (1038 - 1039) ≥ 0	1040		11.200	14.595
	O. EXCESS OF EXPENSES OVER INCOME FROM REGULAR BUSINESS BEFORE TAX (1039 - 1038) ≥ 0	1041		0	0
69-59	P. NET INCOME FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGES IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ERRORS	1042		0	0
59-69	Q. NET EXPENSES FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGES IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ERRORS	1043		0	0
	R. INCOME BEFORE TAXES (1040 - 1041 + 1042 - 1043) ≥ 0	1044	19	11.200	14.595
	S. EXPENSES BEFORE TAXES (1041 - 1040 + 1043 - 1042) ≥ 0	1045		0	0
721	T. TAX EXPENDITURES FOR THE PERIOD	1046	19	1.680	2.189
	U. NET INCOME (1044 - 1045 - 1046) ≥ 0	1047	19	9.520	12.406
	V. NET EXPENSE (1045 - 1044 + 1046) ≥ 0	1048		0	0

In Belgrade,
2024, March 31


Legal representative

The form prescribed by the Rulebook on the content and form of financial report forms and the content and form of the Statistical report form for other legal entities ("Official Gazette of the RS" no. 89/2020).

CRTA

Tax identification number: 102211181
Company registration number: 17414054
Place: Belgrade (Stari grad)
Address: Francuska 6

**NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR 2023**

CRTA

NOTES TO THE FINANCIAL STATEMENT

December 31st, 2023

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- 2 BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS
- 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES
- 4 FINANCIAL STATEMENTS DISCLOSURES

1. GENERAL INFORMATION ABOUT THE ASSOCIATION

Association CRTA Belgrade (Stari grad), Francuska 6 was founded on July 29th, 2002. and performs its activities in the Republic of Serbia in the form of an association.

Legal representatives of the Association are:

- Vukosava Crnjanski Šabović and
- Raša Nedeljkov.

Head office: Francuska 6, Beograd, Stari grad

Register number: 17414054

Tax identification number: 102211181

The predominate activity: 9499 – Other organisations based on membership

The average number of employees in 2023 is 35, in 2022 35.

In the year 2023, the Association was classified as a micro business.

The Financial statement of the Association CRTA Belgrade (Stari grad), Francuska 6 for the year that ended on December 31st, 2023. were approved for disclosure by the decision of the Association" management on March 27th, 2024.

2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

2.1. Basis of preparation and presentation of the financial statements and compliance with national regulations

Financial statements of the Association for the year 2023 have been prepared in accordance with the Law on Accounting ("Official Gazette of the RS", No. 73/2019 and 44/21) and other applicable accounting regulations in the Republic of Serbia.

Financial statements have been compiled in accordance with:

- The Law on Accounting ("Official Gazette of the RS", No. 73/2019 and 44/21);
- The Rulebook on the method of recognition, valuation, presentation and disclosure of positions in individual financial reports of micro and other legal entities – hereinafter referred to as: the Rulebook ("Official Gazette of the RS" No. 89/2020);
- The Rulebook on the Account Framework and the content of accounts in the Account Framework for other legal entities 89/20);
- The Rulebook on the content and form of the financial statement and contents and form of a statistical report for other legal entities ("Official Gazette of the RS", No. 89/20).

The attached financial statements are in all their parts harmonised with all relevant provisions of the Rulebook, as well as with by-laws.

In compiling the attached financial statements, the Association applied the accounting policies disclosed in Note 3 hereunder, which are based on the valid accounting and tax regulations of the Republic of Serbia. These policies have been applied consistently to all years presented, unless otherwise noted.

2.2. Comparative data

The comparative data in the financial statements for 2023 were taken from the financial statements for 2022.

2.3. Changes in accounting policies

There were no changes in accounting policies.

2.4. Going concern and subsequent events after the balance sheet date

The financial statements have been prepared under the assumption of the going concern of the Association, i.e. assuming that the Association will continue to operate for an indefinite period of time in the foreseeable future.

2.5. Official and functional reporting currency

Financial statements of the Association are expressed in thousands of dinars (RSD), which is the official currency in which financial reporting is performed in the Republic of Serbia. Unless otherwise stated, all amounts are expressed in thousands of dinars.

2.6. Accounting method

Financial statements have been prepared according to the original purchase value (historical cost) method, unless the Rulebook requires a different basis of valuation in the manner described in the accounting policies.

2.7. Valuation rules – basic assumptions

Financial statements have been prepared on the basis on causation principle and the business continuity principle.

On the causation principle, a transaction is recognised when it occurred and is included into financial statements for the period to which it relates, regardless of the receipt of cash payments in respect of that event.

2.8. Recognition of financial statements elements

An asset is recognised in the balance sheet when it is probable that it will be all in flow to the Association on the basis of the use of the asset, and when the asset has acquisition value, or cost price or a reliably measurable value.

Liabilities are recognised in balance sheet when it is probable that there will be an outflow from settlements of current debt and when the value of liability can be reliably measured.

Income is recognised in the income statement when an increase in economic benefits is associated with an increase in assets or a decrease in liabilities that can be measured reliably, that is, revenue recognition occurs simultaneously with the recognition of an increase in assets or a decrease in liabilities.

Expenses are recognised in the income statement when the reductions in economic benefits associated with a decrease in assets or an increase in liabilities can be measured reliably, that is, the recognition of expenses occurs at the same time as the recognition of an increase in liabilities and by reducing funds.

2.9. Impairment of property value

At each balance sheet date, the Association reviews the book value of its tangible and intangible assets to determine whether there has been an impairment loss. If such indications exist, the recoverable amount of the asset is estimated in order to determine the eventual loss. If it is not possible to estimate the recoverable amount of an individual asset, the Association estimates the recoverable amount of the money-generating unit to which the asset belongs.

The recoverable amount is the net selling price or the value in use, whichever is higher.

If the estimated recoverable amount of an asset (or cash-generating unit) is inferior to the carrying amount, then the book value of that asset is reduced to the recoverable amount. Impairment losses are immediately recognised as an expense.

2.10. Court disputes

When measuring and recognising provisions and determining the level of exposure to potential liabilities related to existing court cases, the management of the Association shall make certain estimations. These estimations are necessary to determine the likelihood of a negative outcome and to determine the amount necessary for a final court settlement. Due to the inherent uncertainty in the valuation process, actual losses may differ from the losses initially determined by the estimation. Therefore, estimates shall be corrected when the Association receives new information, mostly with the support of internal professional services or external advisors.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATIONS

3.1 Foreign currency translation and exchange rate treatment

Transactions denominated in foreign currencies are translated into dinars at the middle exchange rate determined at the interbank foreign exchange market in Serbia, which was in force at the date of the transaction.

Assets and liabilities denominated in foreign currency at the balance sheet date are translated into dinars at the middle exchange rate established on the interbank foreign exchange market for the day.

Assets and liabilities with a currency clause are valued at the agreed exchange rate of the foreign currency on the balance sheet date.

Net positive or negative exchange rate differences, as well as positive and negative effects of the currency clause, are reported within financial income and expenses in the income statement.

Non-monetary items that are measured at historical cost expressed in a foreign currency are translated using the historical rates of exchange at the date of the initial transaction.

The official middle exchange rates of the National Bank of Serbia used for the recalculation of balance sheet positions in foreign currencies or with a currency clause, for certain major currencies on the balance sheet date, were the following:

Currency	December 31 st , 2023	December 31 st , 2022
EUR	117.1737	117.3224
USD	105.8671	110.1515

3.2 Intangible assets, property, plant and equipment

Intangible assets are initially recognised at cost value, that is, the cost price minus the accumulated depreciation and possible accumulated losses due to impairment, in the manner prescribed in Article 13 of the Rulebook for micro businesses and other legal entities.

Depreciation of intangible assets is carried out using the proportional method, applying a rate determined on the basis of the estimated useful life, passed on the purchase value minus the residual value.

The residual value of an intangible asset with a finite useful life is assumed to be zero, unless there is an obligation of a third party to purchase the asset at the end of its useful life, or there is an active market for the asset, whereby the residual value can be determined by reference to that market and is probable that such a market will exist at the end of the asset's useful life. If it is not possible to reliably estimate the useful life of an intangible asset, it is amortized over a period of 10 years.

Property, assets and equipment that meet the requirements for recognition as an asset are initially measured at purchase value, i.e. at cost price, and after initial recognition are measured at purchase value, i.e. cost price, less accumulated depreciation and any accumulated impairment losses, in the manner prescribed in Article 14 of the Rulebook for micro businesses and other legal entities.

In order for an asset to be recognised as a fixed asset and subject to the calculation of depreciation, it should meet two conditions:

- 1) That its useful life is longer than one year;
- 2) That its purchase value, i.e. the cost price at the moment of acquisition, is greater than RSD 150,000.00.

Depreciation is carried out using the proportional method by applying the rate determined on the basis of the estimated useful life on the basis of the purchase value, i.e. the cost price minus the residual value.

Intangible investments	10-20%
Motor vehicles	15%
Office equipment, other equipment	10-25%
Computers and IT equipment	30%
Other equipment	10-25%

Depreciation calculation starts from the following month compared to the month in which the asset is put into use.

3.3 Financial instruments

Classification of financial instruments

Financial instruments include long term financial placements, receivables, short term financial placements, cash and cash equivalents.

The Association classifies financial instruments into one of the following categories: financial assets at fair value through the income statement, investments held to maturity, credits (loans), receivables and assets available for sale. Classification depends on intent for which the assets were acquired. The management of the Association determines classification of financial assets at initial recognition.

Financial liabilities include long-term financial liabilities, short-term financial liabilities, operating liabilities and other short-term liabilities.

Effective interest method

The effective interest method is a method of calculating the depreciated value of a financial asset or financial liabilities and the distribution of interest income and interest expense over a specified period.

The effective interest rate is the interest rate that accurately discounts future cash payments or receipts during the expected life of the financial instrument or, where appropriate, during a shorter period to the net book value of the financial asset or financial liability.

Cash and cash equivalents

Cash and cash equivalents are cash in hand, funds at current and foreign currency accounts as well as short-term deposits of up to three months that are easily possible convert to cash are subject to an insignificant risk of change in value.

Credits (loans), placements and receivables

Trade receivables, credits (loans) and other fixed or determinable payments that are not quoted in an active market are classified as loans (short-term loans) and receivables.

Loans and receivables are measured at depreciated cost using the effective interest method, minus any impairment loss. Interest income is recognized using the effective interest method, except in the case of short-term receivables, where recognition of interest income would not be substantially significant.

Impairment of financial assets

At each balance sheet date, the Association assesses whether there is objective evidence that a financial asset or group of financial assets has been impaired (except for assets carried at fair value through the income sheet). Impairment of financial assets is made when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the assets will change.

Impairment (value adjustments) of receivables is made indirectly based on the management's assessment on the reality of collection of receivables, and directly if the inability to collect is certain and documented. Changes in the value adjustment account are recorded in favour or expense of the income statement. Written off receivables are recorded in the income statement as other income.

3.4 Inventory

Inventory is valued either at cost value, that is, cost price, or net sales value, depending on which of the two is lower.

Cost value includes invoice value from suppliers, import duties, transport expenses, and other variable procurement expenses. Cost price comprises of direct material costs, direct labour cost and indirect cost of production. Expenses are included in cost price based on normal level of utilization of capacities, excluding interest costs and cost of period.

Net sales value is value at which the supplies could normally be sold on market, after deduction of selling expenses.

3.5 Receivables

They include receivables from sales (customers of parent and subsidiary legal entities, customers of other related legal entities, customers in the country and customers abroad), receivables from specific businesses and other receivables (receivables for interest and dividends, receivables from employees, receivables from state authorities and organisations, receivables based on overpaid taxes and contributions excluding profit tax).

Receivables are stated at the original invoiced amount, minus value corrections based on their impairments.

Write-off of short-term receivables where there is a probability of uncollectibility is done by indirect write-off, while in cases where the impossibility of collection is complete and documented write-off, in whole or in part, is done by direct write-off.

The probability of impossibility of collection is determined in each specific case based on documented reasons. Short-term receivables that have not been collected within 180 days from the expiry date for collection are indirectly written off in the amount of 100% of the nominal amount of the receivable.

Receivables in foreign currency are valued at the middle exchange rate of the National Bank of Serbia on the balance sheet date, and receivables with a currency clause are valued at the agreed exchange rate on the balance sheet date. Positive and negative exchange differences, as well as the effects of the currency clause, are recorded in favour of financial income and expenses. Definitely uncollectible receivables are directly written off against other expenses.

3.6 Receivables for overpaid income tax

They include overpaid income tax.

3.7 Prepayments and accrued income

Accruals include accrued expenses (expenses related to the future accounting period), receivables for uninvoiced income, accrued expenses based on obligations and other accruals.

3.8 Accrued costs and deferred revenues

In the scope of passive accruals, prepaid income and expenses of the current period for which no document has been received or when the payment obligation arises in the future period are reported.

Deferred revenues and donations received for the purpose determined by the contract are reported within the scope of deferred revenues.

3.9 Capital

Capital represents the remaining participation in the assets of the Association, after deducting all its liabilities.

The capital of the Association includes the non-allocated profit of previous or current years.

3.10 Long-term and short-term financial liabilities

Long-term and short-term financial liabilities include loan liabilities and financial leasing liabilities.

Financial liabilities, including loan liabilities, are initially recognized at the fair value of funds received, minus transaction costs.

3.11 Business liability

They include received advances, deposits and sureties, suppliers, issued bills and checks to creditors and liabilities from specific businesses. Liabilities in dinars from business are reported in the unpaid amount. Liabilities in foreign currency are stated at the middle exchange rate on the balance sheet date, and liabilities with a currency clause are stated at the agreed exchange rate.

3.12 Other short-term liabilities

They include liabilities based on wages and salary benefits in the gross amount, liabilities based on interest and financing costs.

3.13 Employee benefits

Employee taxes and contributions for Social Security

Amounts of payments to employees are recognised as salary expense in the income statement. The Association bears the costs of employees related to health insurance, pension insurance, unemployment insurance and the like. These amounts are reported in the income statement within salary expenses.

Costs of pensions and other benefits after retirement

Amounts of payment to employees are recognised as salary expense in the income statement.

All employees of the Association are part of the pension plan of the Republic of Serbia. All contributions that are mandatory under the Government's pension plan are reported as an expense in the period in which they are incurred. In the regular course of business, the Association makes tax payments and contributions on behalf of its employees.

The Association is not involved in other forms of pension plans and has no obligations on these grounds.

Severance pay

Severance pay is paid upon termination of employment before the regular retirement date or when the employee accepts voluntary termination of employment as surplus labour in exchange for severance pay. In accordance with the provisions of the Labour Law, the Association has the obligation to pay the employee severance pay upon retirement in the amount of two average gross wages earned in the Republic of Serbia according to the last published data of the Statistical Office of the Republic of Serbia in the month preceding the month of retirement. Severance payments due in a period longer than 12 months after the balance sheet date are reduced to the present value.

3.14 Income tax

Income tax is the amount that is calculated and paid in accordance with the tax regulations of the Republic of Serbia. The final amount of the income tax liability is determined by applying a tax rate of 15% to the tax base set out in the Association's tax balance.

3.15 Revenues and expenses

Revenues from the sale of goods and services rendered are recognized in the income statement when all risks and rewards have passed to the customer. Sales revenues are recorded when the goods are delivered or the service is rendered. Revenues are recorded at invoiced value.

Revenues from services are recognised according to the degree of completion of the services. The estimation of the degree of completion is made on the basis of the ratio of incurred costs and total projected costs for the execution of those services.

Expenses are calculated according to the principle of causation of income and expenses.

In the business year, all revenues and expenses related to the business year are recognised, regardless of the date of their collection or payment.

4. FINANCIAL STATEMENTS DISCLOSURES

*all data are expressed in thousands of dinars (RSD).

5. Property, plants and equipment

		2023	2022
023	Plants and equipment	14296	18200
	TOTAL:	14296	18200

6. Receivables from sales

		2023	2022
205	Foreign trade receivables	2130	1251
	TOTAL:	2130	1251

7. Other short-term receivables

		2023	2022
224	Receivables for other taxes and contributions prepaid	11	217
228	Other short-term receivables	14122	3585
231	Short-term loans	0	821
	TOTAL:	14133	4623

8. Cash and cash equivalents

		2023	2022
241	Bank accounts - Dinars	44568	19376
244	Bank accounts - foreign currency	86773	55595
	TOTAL:	131341	74971

9. VAT and prepayments and accrued income

		2023	2022
280	Prepaid costs	443	790
	TOTAL:	443	790

10. Capital (EDP 0401)

		2023	2022
340	Retained profit from previous years	38222	25816
341	Retained profit from current year	9520	12406
	TOTAL:	47742	38222

11. Short-term liabilities

		2023	2022
429	Other short-term financial liabilities	0	555
	TOTAL:	0	555

12. Liabilities for received advances and payables to suppliers

		2023	2022
431	Trade payables - domestic	2091	800
432	Trade payables - foreign	352	0
439	Other liabilities from business operations	16	14
	TOTAL:	2459	814

13. Other short-term liabilities

		2023	2022
479	Liabilities for VAT on difference between calculated VAT and previous taxes	140	36
481	Liabilities for income tax	1680	2189
	TOTAL:	1820	2225

14. Accruals and deferred income

		2023	2022
495	Income of the future period	110529	60584
	TOTAL:	110529	60584

15.Revenues

		2023	2022
603	Revenues from sale of services	23244	19074
642	Income from donations from abroad	244908	341395
643	Income from donations from domestic legal entities	18864	5836
644	Income from donations from individuals	97	0
	TOTAL:	287113	366305

16.Expenses

		2023	2022
512	Costs of other material (overhead)	6203	10706
513	Cost of fuel and energy	569	617
514	Write offs - inventory	5239	2431
520	Costs of salaries and fringe benefits (gross)	78211	68161
521	Costs of taxes and contributions on salaries and fringe benefits charged to employer	11806	10963
522	Costs of remunerations according to temporary service contracts	1020	551
523	Costs of remunerations according to author's contracts	33760	52607
524	Costs of remunerations according to temporary and provisional contracts	6174	2081
525	Costs of remunerations to individuals according to other contracts	-	83
529	Other personal expenses remunerations	17393	29209
530	Costs of services used in production process of own costs capitalized	3364	17277
531	Transport services costs	9189	9313
532	Maintenance costs	1093	759
533	Rental costs	17051	16235
535	Advertising costs	6657	32276
536	Costs of researching activities	34	1307
539	Costs of other services	672	1442
540	Depreciation costs	4438	4159
550	Costs of non-production services	54717	57300
551	Representation costs	5567	6883
552	Costs of insurance premiums	512	742
553	Costs of payment operations	518	688
554	Costs of membership fees	35	47
557	Costs of donations	12257	25235
555	Tax costs	182	264
559	Other nonmaterial costs	52	-
	TOTAL:	276713	351336

17.Financial and other revenues

		2023	2022
662	Income from interest	82	87
663	FX Gains	2896	252
670	Gains on disposals of Intangible assets and property, plants and equipment	0	315
	TOTAL:	2978	654

18.Financial and other expenditures

		2023	2022
563	FX losses	2105	976
577	Expenditure of the disposal of goods	3	0
579	Other expenses	70	51
	TOTAL:	2178	1027

19. INCOME	2023	2022
1. Net operating result	11200	14595
2. Income tax liabilities	1680	2189
3. Current year's net income	9520	12406

In the process of calculating the income tax, the prescribed tax rate is applied to the difference between the income generated from market activities and the corresponding expenses.

20. POTENTIAL ASSETS AND LIABILITIES

In accordance with Article 22 of the Law on Accounting, the Association reconciled receivables with debtors. Reconciliation of receivables was carried out with the balance as of December 31st, 2023.

In accordance with Article 22 of the Law on Accounting, the Association reconciled its liabilities with creditors. Reconciliation of obligations was carried out with the balance as of December 31st, 2023.

In the process of reconciling with business partners, no unconsolidated receivables were identified.

The Association has no given guarantees nor any other potential liabilities.

The Association does not lead, nor is there any court case against the Association,

21. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

After the balance sheet date, there were no significant legal disputes, activation of mortgages or guarantees, status changes or any other significant events.

Belgrade (Stari grad), March 27th, 2024

Legal representative

Raša Nedeljkov





BDO d.o.o. Beograd

Knez Mihailova 10
11000 Belgrade
Republic of Serbia
Tel: +381 11 3281 399
Fax: +381 11 32 81 808

www.bdo.co.rs

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